



UNDER SECRETARY OF DEFENSE
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MAR 28 1996

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Elimination of Imprest Funds

This memorandum announces the phased elimination of imprest funds for unclassified programs with the Department of Defense (DoD). Effective October 1, 1996, the use of imprest funds no longer will be authorized by DoD activities within the Continental United States (CONUS) and, effective October 1, 1997, imprest funds also will not be authorized outside the CONUS.

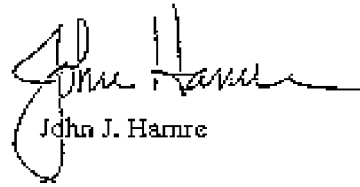
Exceptions to the above policy will be authorized for contingency operations and for exceptional circumstances. Specific requests for deviations from, or exceptions to, this policy shall be submitted to the Director for Accounting Policy, Office of the Deputy Chief Financial Officer. Such requests must contain adequate justification and demonstrate that the use of the International Merchant Purchase Authorization Card (I.M.P.A.C.), governmentwide travel card, or other reasonable alternatives are not feasible for the specific situation.

In lieu of imprest funds, maximum use shall be made of the I.M.P.A.C. for micro-purchases of supplies and/or services; and the governmentwide travel card (i.e., an agency central billed account) should be used to facilitate travel payments formerly made from the imprest funds. To enhance local capabilities, this office currently is investigating, with the General Services Administration, the feasibility of making available VISA checks that would be charged to a cardholder's I.M.P.A.C. account.

The Director, Defense Finance and Accounting Service, is asked to incorporate the above policy change into the next revision of Volume 5, "Disbursing Policy and Procedures" of the "Financial Management Regulation" (DoD 7000.14-R).

The elimination of imprest funds in no way affects the authority of DoD disbursing officers and their designated agents to maintain cash holdings at personal risk.

My staff contacts for this matter are Mr. Ronald L. Adolphi and Mr. Ronald D. Good. They may be reached respectively at (703) 697-0536, DSN 227-0536 or (703) 697-0585, DSN 227-0585.



John J. Hamre